

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that House Bill 1797 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
- 2 paragraph and insert:
- 3 "SECTION 1. IC 20-8.1-1-19 IS ADDED TO THE INDIANA
- 4 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 5 [EFFECTIVE JULY 1, 2005]: **Sec. 19. As used in this article,**
- 6 **"dependent" has the meaning set forth in Section 152(a) of the**
- 7 **Internal Revenue Code.**
- 8 SECTION 2. IC 20-8.1-1-20 IS ADDED TO THE INDIANA
- 9 CODE AS A **NEW** SECTION TO READ AS FOLLOWS
- 10 [EFFECTIVE JULY 1, 2005]: **Sec. 20. As used in this article,**
- 11 **"qualified education expenditures" means expenditures made by**
- 12 **a taxpayer during the twelve (12) month period beginning July 1**
- 13 **and ending June 30 of the taxable year for a dependent with**
- 14 **respect to a school of choice for any of the following:**
- 15 (1) **Fees for academic tuition or instruction.**
- 16 (2) **If the dependent is not enrolled in a school that charges**
- 17 **tuition, expenditures for computer software, textbooks,**
- 18 **workbooks, curricula, school supplies other than personal**
- 19 **computers, and other written materials used primarily for**
- 20 **academic instruction and for academic tutoring.**
- 21 (3) **Expenditures for transporting the dependent to and from**
- 22 **the school of choice where the dependent is enrolled, excluding**
- 23 **transportation for extracurricular activities.**
- 24 SECTION 3. IC 20-8.1-1-21 IS ADDED TO THE INDIANA
- 25 CODE AS A **NEW** SECTION TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2005]: **Sec. 21. As used in this chapter, "school of choice" is either a:**

- (1) nonpublic school (as defined in IC 20-10.1-1-3); or**
- (2) public school (as defined in IC 20-10.1-1-2) in which a dependent is enrolled but that is not the dependent's school of legal settlement for purposes of the general school tuition support formula.**

SECTION 4. IC 20-8.1-1-22 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2005]: **Sec. 22. As used in this article, "taxpayer" means:**

- (1) an individual who is; or**
- (2) an individual and the individual's spouse, in the case of a joint return, who are;**

subject to the adjusted gross income tax.

SECTION 5. IC 20-8.1-6.1-3.1 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS

[EFFECTIVE JULY 1, 2005]: **Sec. 3.1. (a) This section applies to a taxpayer who has a dependent who has legal settlement in a school corporation located in Indiana.**

(b) Except as provided in subsection (c), a taxpayer who makes qualified education expenditures for a dependent is entitled to a credit against the adjusted gross income tax imposed by IC 6-3 for the taxable year. The credit to which the taxpayer is entitled for all the taxpayer's dependents combined is equal to the lesser of:

- (1) the qualified education expenditures of the taxpayer; or**
- (2) the following amount per taxpayer:**

Taxable Year Ending In	Amount
2006 or 2007	\$1,000
2008 or 2009	\$1,500
2010 or 2011	\$2,000
2012 or 2013	\$2,500
2014 and thereafter	\$3,000

The credit amount under this subsection with respect to a dependent is reduced by any credit amount with respect to other dependents under subsection (c) of this chapter.

(c) This subsection applies to the determination of a credit for any taxpayer with respect to any dependent who:

- (1) is not enrolled in a public school in 2005 but who is eligible for enrollment in a public school in 2005; or**
- (2) is a member of a household with an annual household income that is more than three hundred fifty percent (350%) of the federal income poverty level as determined annually by the federal Office of Management and Budget under 42 U.S.C. 9902.**

A taxpayer described in this subsection is not entitled to a credit

under this chapter for expenditures made before July 1, 2007, with respect to the dependent described in this subsection. The credit for such a taxpayer for expenditures made with respect to the dependent after June 30, 2007, is equal to the lesser of the qualified education expenditures of the taxpayer or the following amount per taxpayer:

Taxable Year Ending In	Amount
2008 or 2009	\$500
2010 or 2011	\$1,000
2012 or 2013	\$1,500
2014 or 2015	\$2,000
2016 or 2017	\$2,500
2018	\$3,000

This subsection expires for taxable years ending after 2018.

(d) The department shall develop a process and create forms that will:

(1) permit the taxpayer to assign credits under this chapter to the school of choice in which the taxpayer's dependent is enrolled; and

(2) allow the school that receives an assignment of credits to claim and receive the amount of the credit as soon as the taxpayer has filed the required income tax return for the taxable year.

(e) If the amount of the credit provided by this section that a taxpayer uses during a particular taxable year exceeds the sum of the taxes imposed on the taxpayer by IC 6-3 for the taxable year after the application of all credits that under IC 6-3.1-1-2 are to be applied before the credit provided by this section, the excess shall be returned to the taxpayer as a refund.

(f) Acceptance by a taxpayer of a credit for qualified education expenditures for a dependent under this section does not provide any governmental entity or agency of the state with jurisdiction, authority, or control over the dependent's educational provider."

Page 17, after line 7, begin a new paragraph and insert:

1 "SECTION 15. [EFFECTIVE JULY 1, 2005] **IC 20-8.1-6.1-3.1, as**
2 **added by this act, applies to taxable years beginning after**
3 **December 31, 2005.**"

4 Renumber all SECTIONS consecutively.
 (Reference is to HB 1797 as printed February 25, 2005.)

Representative Behning